GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department – Application and processing of raw materials (alcohol) through Information Technology enabled platform with an aim to improve the Ease of Doing Business in the State of Andhra Pradesh– Orders - Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No. 165 Dated: 27-11-2017

Read the following:

Ref:- 1. Circular No: 11-1-5-0006-0006-FD dated 27.06.2011 of Commissioner of Industries, Govt. of A.P.
2. G.O.MS.No. 64 Industries & Commerce (P&I) Dept., dated 03-05-2017.
3. Lr. No. 20/4/2017-PLG &ACC-DOI,dt. 16.10.2017of Commissioner of Industries

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ORDER

Government of Andhra Pradesh have issued orders in the reference 2nd read above, superseding all the G.Os. / Circulars of Directors / Commissioners already given with regard to allotment / recommendation of ethanol in the State of Andhra Pradesh, and also directing the Commissioner of Industries and General Managers, District Industries Centres not to accept any application offline / hard copies and process the application as per the guidelines annexed to the said order . The orders came into force from the date of hosting of the online software application for 'Raw Materials Allocation' on the Single Desk Portal (SDP).

2. Alcohol (Absolute Alcohol/Ethanol/Rectified spirit/Denatured Spirit) is a key raw material used by certain industries in manufacturing their products. As it is highly regulated material, Industries & Commerce Department, Government of Andhra Pradesh facilitates the investors by making recommendations to the Commissioner, Prohibition & Excise Department for ad-hoc allocation/regular allocation/renewal of allocation of alcohol to industrial units in Andhra Pradesh.

3. In the reference 2nd read above, instructions have been issued for ad-hoc allotment of alcohol for industrial purposes through CAF filed in SDP portal. However the regular allotment and renewal of allotment were not brought under the SDP.

4. Currently, the regular, as well as renewal, of alcohol allotment faces many challenges including shortage of document submission by industry, difficulties in coordination for joint inspections between GM-DIC, representative of CPE and representative of IICT, delays in application processing & allotment, undefined timelines and the lack of mechanism to track status.

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5. Andhra Pradesh has achieved the distinction of being the 1st ranked State in India for Ease of Doing Business as per the DIPP - World Bank ranking for the year 2016. In continuation with business reform action plan and focus on technology driven improvements in Government procedures, Industries & Commerce Department propose to streamline the regular allotment and renewal of allotment of alcohol (Absolute Alcohol/Ethanol/ Rectified spirit/Denatured Spirit). Applications will now be processed online through the Single Desk Portal (SDP), which will be integrated with the online system of Commissioner of Prohibition & Excise. In addition, it is proposed to further improve the adhoc allotment/ suggestions for alcohol.

6. In the reference 3rd read above, the Commissioner of Industries has requested the Government for changes to be made to the G.O.Ms. No. 64, Ind. & Com. (P&I) Department ,dt.03.05.2017.

7. The proposed new system shall eliminate the need to physically visit the Department for regular alcohol allotment or renewal, in addition to the ad-hoc allotment already done in reference 1st read above. All applicants need to necessarily register on SDP to avail the services.

8. Broadly, the application procedure will be as follows:

a) Applicant registers on Single Desk Portal and fills online 'Common Application Form' (Annexure I) to request for allotment. Necessary documentation is uploaded along with the application. Applications will not be accepted without complete documentation.
b) Applicant will fill a self-declaration (Annexure II) taking responsibility of the details furnished and accepting liability and penalization in case of misrepresentation or misuse.
c) Upon successful submission of the aforementioned forms, a pre-signed 'Recommendation Letter' with allotted quota will be auto generated.
d) Auto-generated "Recommendation Letter" carrying the quota will be pushed to the Prohibition & Excise portal for adhoc/regular/renewal allotment of the recommended quota. In parallel, "Recommendation Letter" will be sent to the applicant as well for information. This recommendation shall have validity linked with that of the Consent for Operation (CFO) certificate of the unit.
e) The units shall follow the procedures as prescribed by Commissioner of Prohibition & Excise for further allotment.
f) Should there be a change in quantity of alcohol quota recommended, the applicant shall log into SDP and revise the quota value.
g) A time limit of 14 days is fixed for Department of Prohibition and Excise for making adhoc allotment (physical allotment)/regular allotment/renewal of regular allotment to the unit.

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h) The Department of Prohibition and Excise shall upload the Ad-hoc allotment/ regular allotment/renewal of regular allotment completion letter in the Single Desk Portal within the set time limits.

i) The progress of allotments will be linked to CM Dash Board and the cases pending beyond due date will be visible in the CM dashboard.

9. Applicant must have a valid Pollution Certificate, valid Factory license and valid Drug license to be eligible for alcohol allotment.

10. The step by step process for online application and processing for Adhoc Allotment of Alcohol, including the monitoring mechanism, is available in **Annexure III**.

11. The step by step process for online application and processing for Regular Allotment of Alcohol, including the monitoring mechanism, is available in **Annexure IV**.

12. The step by step process for online application and processing for Renewal of Alcohol Allotment, including the monitoring mechanism, is available in **Annexure V.**

13. Government hereby direct the Commissioner of Industries and all the General Managers, District Industries Centres to follow the procedure strictly and not to accept any application offline / hard copies and process the application as per the guidelines /procedure annexed to this order. This order shall come into force from the date of hosting of the online software application for 'Raw Materials Allocation' on the Single Desk Portal (SDP).

14. This Government Order shall supersede all the G.Os. / Circulars of Directors / Commissioners issued with regard to allotment / recommendation of alcohol in the state of Andhra Pradesh.

15. The Commissioner of Industries, Andhra Pradesh, Vijayawada and Commissioner of Prohibition & Excise, Andhra Pradesh, Vijayawada shall take necessary action.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Govt. of Andhra Pradesh, Vijayawada.
The Commissioner of Prohibition & Excise, Govt. of A.P., Vijayawada.

Copy to:
The Revenue (Excise /CT/ Regn.) Department

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The HM & FW Department
The LET &F Department
The EFS&T Department.,
The Finance (Rev, I&C) Department,
The Member Secretary, AP Pollution Control Board, Vijayawada.
The DG, Drug Control Administration, Govt. of A.P., Vijayawada.
PS to Principal Secretary to CM, Govt. of A.P.
PS to Minister, Industries, Govt. of A.P.
PS to Special Chief Secretary to Govt., (CT & Ex.)
PS to Secretary & CIP, Ind. & Com. Department,
Sf/Sc

//FORWARDED::BY ORDER//

SECTION OFFICER

Annexure-I
(G.O.Ms.No.165, Ind. & Com. (P&I) Dept., dt.27-11-2017)
Common Application Form

A. Application for Raw Material _____ (Ethanol)
B. Do you already have a valid recommendation: _____ (Yes / No)
C. If Yes,
   a. CFO expiry date _____
   b. Recommendation expiry date_____
   c. Recommended quantity _____ (Bulk Litres)
   d. Upload recommendation copy _____

1	Name & Address of the Industry	
	A) Factory Address	
	B) Office Address	
2	PMT SSI Regn. / IEM / EM No or UAM & Date	
3	Date of Commencement of Production	
4	Line of Manufacture:	
5	Employment	
6	CAPITAL INVESTMENT: A) Land: B) Building C)Machinery	
7	A) Installed Production Capacity (PA / PM) B) Present Operating Capacity (PA / PM)	
8	Details of process / machinery: A) Particulars of machinery and Equipment erected / Proposed for which firm orders placed B) Is the machinery operated by electricity If yes, State contracted load in HP If yes, connected load in HP I f yes, connected load in HP	

9. Quantity of raw material applied for per month _____ (Bulk Litres)
10. Production and Sales particulars for the last three years for Ethanol

Year	Production	Sales Turnover (Rs)	Excise duty paid (Rs)	APGST / CST Paid (Rs.)	Consumption from other sources
	Quantity (Bulk Litres)				

The following documents needs to be uploaded by the applying Unit (in case any certificate mentioned below is already available on SDP, it shall be auto-uploaded):

a. Copy of IEM part b / UAM (Udyog Aadhaar Memorandum)
b. Copy of VAT / Central Excise license wherever applicable
c. Copy of valid Boiler license wherever applicable
d. Copy of CFO from APPCB or Acknowledgement from Industries Department (Other than polluting industries) or copy of acknowledgement for renewal of CFO along with earlier CFO
e. Copies of other statutory licenses like Drugs administration, Food & Public Distribution, Prohibition & Excise
f. Factory license
g. Plan approval by APIIC, IALA.
h. In case of rented premises, a registered rent agreement on a non-judicial stamp paper for a period of minimum 3 years.

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SECRETARY TO GOVERNMENT & CIP

Annexure II

(G.O.Ms.No.165,Ind. & Com. (P&I) Dept., dt.27-11-2017)

Self Declaration Certificate

A. Application for Raw Material _____ (Ethanol)
B. Do you already have a valid recommendation: _____ (Yes / No)
C. If Yes,
   a. CFO expiry date _____
   b. Recommendation expiry date_____
   c. Recommended quantity _____ (Bulk Litres)
   d. Upload recommendation copy _____

1	Name & Address of the Industry	
	A) Factory Address	
	B) Office Address	
2	PMT SSI Regn. / IEM / EM No or UAM & Date	
3	Date of Commencement of Production	
4	Line of Manufacture:	
5	Employment	
6	CAPITAL INVESTMENT: A) Land: B) Building C)Machinery	
7	A) Installed Production Capacity (PA / PM) B) Present Operating Capacity (PA / PM)	
8	Details of process / machinery: A) Particulars of machinery and Equipment erected / Proposed for which firm orders placed B) Is the machinery operated by electricity If yes, State contracted load in HP If yes, connected load in HP If yes, connected load in HP	

9. Quantity of raw material applied for per month _____ (Bulk Litres)
10. Production and Sales particulars for the last three years for Ethanol

Year	Production	Sales Turnover (Rs)	Excise duty paid (Rs)	APGST / CST Paid (Rs.)	Consumption from other sources
	Quantity (Bulk Litres)				

The following documents needs to be uploaded by the applying Unit (in case any certificate
mentioned below is already available on SDP, it shall be auto-uploaded):

a. Copy of IEM part b / UAM (Udyog Aadhaar Memorandum)
b. Copy of VAT / Central Excise license wherever applicable
c. Copy of valid Boiler license wherever applicable
d. Copy of CFO from APPCB or Acknowledgement from Industries Department (Other than polluting industries) or copy of acknowledgement for renewal of CFO along with earlier CFO
e. Copies of other statutory licenses like Drugs administration, Food & Public Distribution, Prohibition & Excise
f. Factory license
g. Plan approval by APIlC, IALA.
h. In case of rented premises, a registered rent agreement on a non-judicial stamp paper for a period of minimum 3 years.

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Annexure III

(G.O.Ms.No.165, Ind. & Com. (P&I) Dept., dt.27-11-2017)

Adhoc Allotment of Alochol

The ad-hoc allotment is valid for 3 months from the date of issue of allotment letter.

Steps involved in Existing Adhoc/License allotment

1. Entrepreneur files CAF with defined enclosures for License/Adhoc allotment of Alcohol in SDP.
2. The entrepreneur gets the auto generated recommendation letter from Commissioner of Industries for adhoc quota of alcohol.
3. Entrepreneur uploads the ad-hoc recommendation letter of the COI and submits the license application form and pays the required fees to the Prohibition & Excise department.
4. Asst. Commissioner (Prohibition & Excise) receives CAF with defined enclosures and recommendation letter and license application form and inspects the unit.
5. AC uploads the report on portal and sends to CPE with all enclosures.
6. CPE issues the alcohol license and ad-hoc allotment.
7. Entrepreneur will be notified through automatic e-mail of the allotment letter and notified through SMS.

Steps proposed in the revised Adhoc/License allotment

1. Entrepreneur files CAF with defined enclosures for License/Adhoc allotment of Alcohol in SDP by paying the necessary fee.
2. Commissioner (P&E) gets the auto generated recommendation letter from Commissioner of Industries (COI) for adhoc quota of alcohol.
3. Commissioner of Prohibition & Excise receives CAF with defined enclosures
4. Assistant Commissioner (AC) of Distilleries receives the CAF with defined enclosures and notification of the COI's auto generated recommendation. The AC uploads the report within 10 days.
5. The Commissioner P&E on receipt of report of the AC (Distilleries), issues the alcohol license and Adhoc allotment within 4 days of receipt of report from AC (Distilleries) concerned.
6. Entrepreneur, GM, COI, JD-MSME will be notified through SMS and sent automatic e-mail of the allotment letter. In addition, the GM shall be sent the full set of CAF and all the enclosures therein.

Existing Monitoring Mechanism

1. In case of false self-certification, Department of Industries shall inform CPE for further action.
2. CPE, through its login, can suo moto suspend / cancel the recommendation in case of discrepancy Department of Industries may recommend downward revision / revocation of the allotted quantity.

Proposed Monitoring Mechanism

1. After allotment of alcohol concerned GM, DIC shall verify the prescribed documents filed by the applicant.
2. GM may inspect the unit, if required.
3. GM shall upload the inspection report in the SDP portal in the prescribed format within 24 hours of generation of the report/inspection.
4. GM shall within 14 days of alcohol allotment upload his report in the portal.
5. CPE, through the provided login, can suo-moto suspend/ cancel the recommendation in case of discrepancy.
6. COI may recommend downward revision/revocation of the allotted quantity.

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Annexure IV

(G.O.Ms.No.165, Ind. & Com. (P&I) Dept., dt.27-11-2017)

Regular Allotment of Alcohol

The regular allotment is valid for a period of 5 years from the date of issue of regular allotment letter

For regular alcohol procurement, Investors need to obtain RS-III license from Commissionerate of Prohibition and Excise (CPE). Presently, investors apply for alcohol allotment at District Industries Centre (DIC). Upon receipt of application, the DIC conducts an initial inspection and fixes an ad-hoc quota. Copies of the ad-hoc recommendation are forwarded to both the applicant and CPE. The applicant submits the ad-hoc recommendation, along with necessary documents and applicable fees to the CPE which issues a RS-III license with an ad-hoc quota valid for 3 months. Before the expiry of the ad-hoc recommendation, the unit applies for a regular allotment at DIC. The DIC initiates a joint inspection for fixing the norms. The committee comprises representatives from CPE, DIC and a member scientist, IICT Hyderabad. As per the fixed norms, Industries Department recommends a regular quota to CPE. Copy of the regular recommendation is sent both to the unit and CPE. Applicants directly approach CPE for procuring the allotted quantity on a monthly basis thereafter.

Steps involved in Existing Regular allotment

1. Entrepreneur files an application with prescribed documents to the concerned GM-DIC.
2. GM-DIC writes to CPE and IICT, Hyderabad for deputing their representatives for a joint inspection for fixing the norms and assessment of requirement of alcohol.
3. GM places the joint inspection report in DIPC and takes approval, and sends the recommendation for allotment to COI.
4. COI after internal verification recommends to Commissioner of Prohibition and Excise for allotment of alcohol.
5. Commissioner of Prohibition & Excise receives the recommendation letter and conducts verification and sends allotment letter to the entrepreneur under copy to COI.
6. Entrepreneur receives the allotment letter from CPE.
7. Entrepreneur lifts the alcohol on a monthly basis thereafter from the distillery assigned by the CPE as per the quantities allotted.

Steps involved in the proposed system for Regular allotment of Alcohol

1. Entrepreneur files CAF with prescribed enclosures and "a self-certified document with the assessment of alcohol required as per the prescribed format", for regular allotment of Alcohol in SDP by paying the necessary fees/charges.
2. Commissioner (P&E) gets the auto generated recommendation letter from Commissioner of Industries for regular allotment of alcohol.
3. Commissioner of Prohibition & Excise receives CAF with prescribed enclosures
4. Assistant Commissioner of Distilleries receives the CAF with prescribed enclosures and notification of the COI's auto generated recommendation. The AC uploads the report within 10 days.

5. The Commissioner P&E on receipt of report of the AC (Distilleries), issues allotment letter for regular quota of alcohol within 4 days of receipt of report from AC (Distilleries) concerned.
6. Entrepreneur, GM, COI, JD-MSME shall be notified through SMS and sent automatic e-mail of the allotment letter. In addition, the GM shall be sent the full set of CAF and all the enclosures therein.

Proposed Monitoring Mechanism

1. After allotment of alcohol concerned GM, DIC shall verify the prescribed documents filed by the applicant.
2. GM may inspect the unit if required.
3. GM shall upload the inspection report in the SDP portal in the prescribed format within 24 hours of generation of the report/inspection.
4. GM shall within 14 days of alcohol allotment upload his report in the portal.
5. CPE, through the provided login, can suo-moto suspend/cancel the recommendation in case of discrepancy.
6. COI may recommended downward revision/revocation of the allotted quantity.

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Annexure V

(G.O.Ms.No.165, Ind. & Com. (P&I) Dept., dt.27-11-2017)

Renewal of Alcohol Allotment

The regular allotment can be renewed for a period of 1 year/3 years/5 years as chosen by the entrepreneur by payment of fees through SDP.

Steps involved in Existing Renewal of alcohol allotment

1. Entrepreneur files an application with prescribed documents to the concerned GM-DIC.
2. GM places the assessment report in DIPC and takes approval, and sends the recommendation for renewal to COI.
3. COI Sends recommendation to CPE for necessary allotment after internal verification in the Commissionerate.
4. Commissioner of Prohibition & Excise refers to the AC distilleries concerned.
5. Asst. Commissioner, distilleries inspects and submits report to the Commissioner of Prohibition & Excise.
6. Commissioner of Prohibition & Excise renewals the allotment of alcohol and sends the renewal letter to the entrepreneur and COI.

Steps involved in proposed system for Renewal of alcohol allotment

1. Entrepreneur files CAF with prescribed enclosures for Renewal of allotment of Alcohol in SDP by paying the necessary fees/charges.
2. An auto recommendation letter generated by the system is automatically forwarded to Commissioner of Prohibition & Excise.
3. Commissioner (P&E) gets the auto generated recommendation letter from Commissioner of Industries and automatically issues a renewal letter, **"except when, the license is suspended/withheld CP&E and notified in the portal"**.
4. Entrepreneur, GM, COI, JD-MSME shall be notified through SMS and sent automatic e-mail of the renewal letter.

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